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## THE BUDGET RIGHTS OF THE RUSSIAN DUMA

Although the manifesto of October 30, 1905, had established that "no law shall go into force without the consent of the Imperial Duma," special regulations defining the budget rights of the Duma were enacted on March 21, 1906, just a few weeks before the opening of the first Russian parliament. These regulations introduced considerable limitations on the competence of the representative assembly in the matter of voting appropriations and determining the sources of revenue.

In the first place, the Duma shares its budget rights equally with the Imperial Council, the upper house of the new legislative order. One-half of the members of this council are appointed by the emperor; the other half, though elected, are chosen by the gentry class organizations, by the clergy, and the commercial guilds. The council is therefore not a democratic body, although it enjoys the same budget rights as the lower house, the Duma.

According to these regulations of March, 1906, the Duma has no jurisdiction over certain categories of expenditures. It cannot discuss the state debt; nor can it examine the appropriations for the Imperial Chancellery. In some departments it cannot decrease the total amount of the estimated expenditure, though it may reassign the various appropriations within the department or increase the total appropriation. This is what the Russians have termed the "iron-clad" part of the budget. Furthermore, appropriations based upon existing statutes or upon imperial administrative decrees cannot be changed without repealing these statutes or decrees by the usual method of legislation.

All other appropriations require a vote by the Duma, and this is not an insignificant category, as we shall see. The Duma's budget rights, though much curtailed from a western point of view, are most important in a country in which, until two years ago, the people had no political rights at all. The regulations of March 21 were loudly protested against by the opposition. The negotiation of a large foreign loan on most unfavorable terms at the beginning of April, 1906, increased this protest.

The budget must be submitted to the Council and the Duma in September and must be confirmed by the first of December. If

the budget is not confirmed the estimates for the preceding year are retained, and a twelfth of the total appropriation for each department is available each month. By a refusal to confirm the budget the government would therefore not be deprived of the right to levy taxes and duties, and make expenditures.

The first Duma, which sat from May 10 to July 26, 1906, therefore, did not discuss the budget for 1907. The Viborg appeal made by the ex-deputies after the dissolution of the first Duma called upon the people to refuse taxes and recruits as long as the representative assembly was not in session. The appeal resulted in a fiasco, as far as these two points were concerned. But a third point, in fact the most important point, warned foreign bankers that any loans contracted without the approval of the representative assembly would not be recognized or honored by the Russian people. This was the attitude of the whole opposition toward the question of foreign loans.

For the year 1907 the government had to adopt the method of using each month a twelfth of the total appropriation for the preceding year. But the budget for 1907 was submitted to the second Duma when it convened last March. The budget material was a large collection of voluminous reports from each ministry or department. The radical parties wished to refuse the whole budget on principle. The liberal parties, on the other hand, succeeded in carrying their proposal that the budget be turned over to a commission, which should report to the Duma as fast as it completed its discussion of the estimates for a department, not waiting until the entire budget had been examined before making a report.

It would seem that the Liberals, who had a working if not an actual majority in the Duma, intended to overlook many of the evident defects of the budget and to give definite reasons for certain refusals to confirm appropriations. They planned to adopt the attitude of compromise which characterized their tactics on other points of conflict.

The Duma was dissolved, however, before the budget commission had had time to report. One of the reasons given for the dissolution was the slowness with which the Duma had proceeded to confirm the budget. This charge was hardly deserved. The budget commission was at work only two months, and it met with obstacles and difficulties which retarded its work at every turn.

In a report to their constituents on their activity in the second Duma the liberals say:

The budget commission had to verify all the appropriations by the innumerable statutes and decrees on which they were based. Only thus could it determine the limitations on its right to discuss the estimates. . . . The estimates were given without sufficient explanations; it was necessary to hold frequent conferences with heads of departments and to appeal repeatedly for information on incomplete data. The government protested when the commission invited experts to help it in its work. It refused to communicate to the commission the journal of the interdepartmental conferences. Access to official sources of information was made as difficult as possible. In spite of all these obstacles the commission was ready to report on the estimates for several departments, and the other estimates were being discussed for final revision when the Duma was dissolved.

There was no official statement of what the budget commission was ready to report, of what refusals it would have recommended if the Duma had continued in session another month. But the chairman of the budget commission has published an unofficial report of the work of the commission. This report is a large volume of over 600 pages, and contains most instructive material.

Of the 2,173,000,000 rubles (a ruble=52 cents approximately) of estimated expenditures 28,000,000 appropriated for the Imperial Chancellery could not be discussed by the Duma; 400,000,000 rubles of appropriations could not be reduced. This was the "iron-clad" part of the budget. Of other appropriations 659,000,000 were based on existing statutes and decrees and could not be changed without the repeal of the statute or decree. These statutes were very numerous. The appropriations for the local police administration were based on 518 different statutes.

The remaining estimates, 1,086,000,000, could be freely discussed. But they were for the most part appropriations for government railroad enterprises, salaries to employees, etc., which could not well be refused or even cut down by the Duma.

One subcommission was occupied a whole month with verifying the appropriations for the Ministry of Foreign Affairs, though they amounted to only 6,000,000 rubles. The estimates for this department were given in a most confused state. Often the reference to a statute as the basis for an appropriation was wrong; or the statute did not cover the estimate given. One hundred and fifty of the statutes referred to in the items of estimates of this

one department had never been published, though only 20 of these 150 were secret statutes that did not require publication in the usual order.

Many questionable appropriations were found. In 1891 an assistant secretary had been temporarily appointed in the Berlin consulate when diplomatic relations with Bulgaria were discontinued and consular business with Bulgaria was carried on through the Berlin consulate. Now the consulate in Sofia receives 31,500 rubles, but the temporary appropriation for the Berlin consulate is still maintained.

The capital invested in railroads in 1906 amounted to 5,897,000,000 rubles; the interest to be paid on this amount for 1907 is 240,000,000, or 65 per cent. of the total payment on the state debt. And beginning with 1900 the railroads have been operating at a loss. In 1907 the deficit amounts to 103,000,000. The commission found this deficit to be the result of the building of railroads for merely strategic purposes and of extravagant and unsystematic management.

The disorganization of the railroad enterprises is such that the minister of ways of communication estimates that a milliard of rubles must be spent in the next five years to re-establish order in his department.

In this unofficial report of the budget commission we find the verification of statements made by Professor Ozerov of the University of Moscow in his recent book, *How Is the People's Money Spent in Russia?* which attracted much attention. Professor Ozerov had gained access to the archives of the imperial control, or audit department, and had made many examples of what he termed "uneconomic state economy."

The most authoritative monthly of moderate liberal tendency, in its chronicle for October, 1907, made the following statements:

Never before had the Imperial Council examined the estimates for appropriations; it simply "took them into consideration." Perhaps the government expected the same power to work rapidly in the Duma. Our budget is a débris of forest grown over with creeping vines that have become immense trunks. Every page of the estimates revealed quite unexpected methods of finance, and obliged one to stop and examine what seemed at the first impression to be incontestable. If not every page, every tenth page, revealed curiosities such as a salary received for some unknown service for more than forty years by some titled publicist.

When the second Duma was dissolved last June a new electoral

law was introduced so as to give the predominant voice in the third Duma to the conservative landed gentry class. This measure was effective and the majority in the third Duma is conservative. But in speaking with a Conservative leader a few months ago I was told that the demands of his party included that of a considerable extension of the budget rights of the Duma. A Conservative Duma representing the large moneyed interests of the country will surely oppose uneconomic methods in the spending of the people's money. Expenditures have been steadily increasing these last years so that, in spite of large foreign loans, the yearly deficit is large. The railroad system is a source of great expense. The alcohol monopoly, which is one of the largest sources of income (in 1907, over 700,000,000 rubles), is giving increased revenues, it is true; but this is hardly a solid economic basis. The Conservative newspaper, the *Novoie Vremia*, had very justly dubbed the budget the "drunken budget."

Because of the conservative complexion of the third Duma it will be most interesting to watch what attitude it takes toward the budget for 1908, which has just been submitted to it. In spite of the present period of reaction, Russia has made great progress in its "movement for liberation." If the budget rights of the Duma are still considerably limited, yet it means much for Russia that the budget should at least be submitted to a representative assembly and that certain appropriations should require the consent of a legislature.

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